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Treasury's Well-Kept Arab Secrets

Why can't the American people find out how the Arab sheiks are buying up U.S. property and securities? The great financial mystery has now been solved.

While the oil potentates have been gouging American consumers, Treasury officials have granted the foreign oil billionaires preferential treatment in the purchase of U.S. securities.

To encourage the Saudi Arabians to invest their windfall billions in the United States, President Ford's treasury secretary, William Simon, promised that their financial holdings in this country would be kept inviolably secret. The same privilege was later extended to other members of the Organization of Petroleum Exporting Countries, and the secrecy continues to this day.

Neither Congress nor other agencies of the federal government—least of all the public—can pry information about OPEC holdings in the United States out of the Arabs' devoted protectors at the Treasury.

In fact, incredible as it seems, Treasury officials even refused a request for information last December from the top-level interagency Iran Consultative Group, which was formed to keep track of the worsening Iranian situation. This high-powered group—made up of representatives from the State, Defense and Energy departments, the CIA, National Security Council and International Communication Agency—asked Treasury what the impact would be if the Iranian government withdrew its funds from U.S. banks.

"We cannot supply data on bank claims and liabilities, nor would it be

wise to supply more than a general statement on the foreign exchange markets," Treasury replied to Rud Poats of the National Security Council, who had pressed for the information.

Thus the security agencies charged with planning for the possibility of Arab financial retaliation against American foreign policy moves have no way of knowing just how serious such a threat would be.

Disclosure of the Treasury's sweetheart deal with the OPEC cartel is contained in a tightly restricted report by the House subcommittee on commerce, consumer and monetary affairs. In two years of hearings and staff work, the subcommittee was never able to obtain the information it sought on OPEC holdings from Treasury.

Lest its promise to the oil moguls be broken by some other agency, Treasury even asked CIA Director Stansfield Turner to suppress some of the foreign investment statistics the CIA had compiled. The Treasury, according to the House report, "requested that the data not be disseminated even on a classified basis, to any person or entity, including Congress, without Treasury's permission."

A Treasury spokesman told my associate Vicki Warren that the department is forbidden by law to reveal OPEC holdings in this country. But the House report notes that the legal argument was in fact concocted three years after the deal was made with the Saudis. "Treasury's legal argument is a smokescreen," the subcommittee concluded.

Footnote: While stoutly withholding

information about OPEC from Congress, Treasury officials dutifully inform the Saudis of every congressional request for information.